

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC
SERVICE COMMISSION HELD IN ITS OFFICES ON SEPTEMBER 25, 2012

Commission Chairman John D. Quackenbush called the meeting to order at 1:34 p.m.
Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

PRESENT

Commission: John D. Quackenbush, Chairman
Orjiakor N. Isiogu, Commissioner
Greg R. White, Commissioner

Staff: Alissa Day
Judy Palnau
Mary Jo Kunkle
Alyssa Sherman
Sharron Allen
Lisa Felice
Jennie Kahn-Jacques

Public: Rick Aaron, WNJ
Bev Roberts, Consumers Energy
Jim Padgett, DTE Energy
Suzy Westmoreland, MEGA
Kwafo Adarkwa, ITC Holdings Corp.
Tim Hoffman, Consumers Energy

- I.** Commissioner Isiogu moved to approve today's agenda, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The agenda was approved.

- II.** Commissioner Isiogu moved to approve the minutes of the Regular Commission Meeting of September 11 2012, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-16906 ACD TELECOM, INC., *ET AL.*
(rehearing)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which is an application for arbitration of an interconnection agreement between AT&T Michigan and ACD Telecom, Inc., Arialink Telecom, LLC, CynergyComm.Net, Inc., DayStarr LLC, Lucre, Inc., Michigan Access, Inc., Osirus Communications, Inc., Superior Spectrum Telephone and Data, LLC, TC3 Telecom, Inc., and Telnet Worldwide, Inc. The order before you rejects AT&T Michigan's petition for rehearing or clarification of the Commission's July 30, 2012 order in this proceeding, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-17074 TELEPORT COMMUNICATIONS AMERICA, LLC
(temporary license)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which is an application for a temporary license to provide basic local exchange service. The order before you grants the temporary license, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-17083 CENTURYTEL OF MIDWEST, INC., CENTURYTEL OF MICHIGAN, INC., CENTURYTEL OF NORTHERN MICHIGAN, INC., AND CENTURYTEL OF UPPER MICHIGAN, INC., (ALL d/b/a CENTURLINK), AND GRANITE TELECOMMUNICATIONS, LLC
U-17085 BARRY COUNTY TELEPHONE COMPANY, AND TDS METROCOM, LLC
(interconnection agreements and amendments)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which requests Commission approval of interconnection agreements and amendments. The order before you approves the requests, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-17110 ACD TELECOM, INC., AND AT&T MICHIGAN
U-17111 ARIALINK TELECOM, LLC, AND AT&T MICHIGAN
U-17112 CYNERGYCOMM.NET, INC., AND AT&T MICHIGAN
U-17113 DAYSTARR LLC, AND AT&T MICHIGAN
U-17114 LUCRE, INC., AND AT&T MICHIGAN
U-17115 MICHIGAN ACCESS, INC., AND AT&T MICHIGAN
U-17116 OSIRUS COMMUNICATIONS, INC., AND AT&T MICHIGAN
U-17117 SUPERIOR SPECTRUM TELEPHONE AND DATA, L.L.C., AND
AT&T MICHIGAN
U-17118 TC3 TELECOM, INC., AND AT&T MICHIGAN
U-17119 TELNET WORLDWIDE, INC., AND AT&T MICHIGAN
(arbitrated interconnection agreements)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which requests Commission approval of interconnection agreements. The order before you approves the requests, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. MINUTE ELIGIBLE TELECOMMUNICATIONS CARRIERS
ACTION (federal universal service funds – U-17022)

Commissioner Isiogu moved that the Commission adopt and issue minute dated September 25, 2012 designating the following carriers as eligible telecommunications carriers (ETCs) for the purpose of receiving federal universal service funds to be expended in 2012, consistent with the Federal Communications Commission order in CC Docket No. 11-161. Further, each exchange is designated as a service area for this purpose. The certification granted in this minute action is conditioned upon the Commission's reservation of its right to audit all expenditures of these universal service funds, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The minute was adopted.

6. MINUTE FRONTIER MICHIGAN
ACTION (9-1-1 Wireless Invoice – U-14000)

Commissioner Isiogu moved that the Commission adopt and issue minute dated September 25, 2012 finding that the attached Frontier North Inc. and Frontier North Systems invoice Nos. MI9NGMTS9110812 and MI9NZMTS9110812 for the period of June 1, 2012 to August 31, 2012 is for wireless emergency service costs recoverable under 2007 PA 165, MCL 484.1408(4)(b). The Commission approves the attached invoice in the amount of \$168,485.61 for reimbursement by the Michigan Department of Treasury, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The minute was adopted.

B. ELECTRIC

1. U-15768 THE DETROIT EDISON COMPANY
(court remand)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which is a general rate case proceeding filed by The Detroit Edison Company. The order before you reopens the case in accordance with the Court of Appeals' order issued on April 10, 2012, that remanded the case for further proceedings, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-15919 COMMISSION'S OWN MOTION
(interconnection and net metering programs)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves a matter, on

Commission's own motion, to approve uniform procedures, agreements, and forms for use with Category 1 and Category 2 interconnection and net metering programs. The order before you requests final comments on proposed procedures, agreements, and forms, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16568 UPPER PENINSULA POWER COMPANY
(RDM reconciliation rehearing)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves an application to reconcile a revenue decoupling mechanism. The order before you denies the petition for rehearing filed by Enbridge Energy, Limited Partnership, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16736 CONSUMERS ENERGY COMPANY
(energy optimization plan reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves an application filed by Consumers Energy Company to reconcile its 2011 energy optimization plan costs. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-17032 COMMISSION'S OWN MOTION
(Indiana Michigan Power Company – state compensation mechanism)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves a proceeding to establish a state compensation mechanism for alternative electric

supplier capacity in Indiana Michigan Power Company's Michigan service territory. The order before you approves the company's cost of service based proposal, subject to the Commission Staff's adjustments, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Concurring by Separate Opinion – White
Nays – None

The order was adopted.

6. U-17033 TONY MAGOON v CONSUMERS ENERGY COMPANY

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves a complaint filed by Tony Magoon. The order before you dismisses the complaint, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

7. U-17068 THE DETROIT EDISON COMPANY
(decoupling mechanism)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which is an application filed by The Detroit Edison Company seeking approval of accounting authority to defer for future amortization \$127 million resulting from the reversal of the company's regulatory liability associated with the operation of the pilot revenue decoupling mechanism. The order before you grants the application and denies the joint petition to intervene filed by the St. Joseph Mercy Health System and the William Beaumont Health System, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

8. U-17089 COMMISSION'S OWN MOTION
(rule order and notice of hearing)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves amending of rules to

update a reference in the Electrical Supply and Communication Lines and Associated Equipment rule set. The order before you approves the schedule for a public hearing and the receipt of written comments on the proposed rules, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

9. U-17124 STOUTENBURG FARMS
(petition for declaratory ruling)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves an application for a declaratory ruling regarding an expedited siting certificate. The order before you directs the applicant to file additional materials, and provides for responses to be filed by the parties to Case No. U-16200, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

C. GAS

1. U-14732 UNIVERSAL GAS & ELECTRIC CORPORATION
(AGS license)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which is a request to voluntarily relinquish the license of Universal Gas & Electric Corporation as an alternative gas supplier. The order before you rescinds the company's license and closes the docket, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-16280 TORO ENERGY OF MICHIGAN, LLC
(plastic pipe specification)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves an application by WMRE of Michigan, LLC, f/k/a Toro Energy of Michigan, LLC for a waiver of the plastic pipe specification under Rule 406.20201 of the Michigan Gas Safety Standards. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16849 SEMCO ENERGY GAS COMPANY
(depreciation rates)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves an application by SEMCO Energy Gas Company for accounting approval of proposed depreciation rates. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-17047 MICHIGAN CONSOLIDATED GAS COMPANY
(customer choice program changes)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves an application by Michigan Consolidated Gas Company for authority to implement changes to its gas customer choice program. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-17048 CORE ENERGY, LLC
(Act 9)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves an application by Core Energy, LLC for approval of the Wesanen Lateral Pipeline in Otsego County. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

6. U-17071 WEST BAY EXPLORATION COMPANY
(Act 9)

Commissioner Isiogu moved that the Commission adopt and issue order dated September 25, 2012 which involves an application by West Bay Exploration Company requesting authority to construct and operate the Sheridan 18 Pipeline in Calhoun County. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

D. MOTOR CARRIER

1. MINUTE ACTION MOTOR CARRIER ADVISORY BOARD
(Melvindale appointee)

Commissioner Isiogu moved that the Commission adopt and issue minute dated September 25, 2012 appointing Michael Rushing, Melvindale, to replace Douglas Ostrowski, Melvindale, on the Motor Carrier Advisory Board for the remainder of the 12-month term ending December 31, 2012, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The minute was adopted.

IV. PUBLIC COMMENTS

There were no public comments.

Chairman Quackenbush announced that the next regularly scheduled Commission Meeting will be held on October 11, 2012.

Commissioner Isiogu moved that the Commission adjourn, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The motion was approved.

The meeting adjourned at 1:50 p.m.

Mary Jo Kunkle
Executive Secretary